



OFFICE OF THE PURCHASING AGENT

TOWN OF ARLINGTON
730 Massachusetts Avenue
Arlington, MA 02476

Telephone (781) 316-3003
Fax (781) 316-3019

DATE: August 22, 2013

TO ALL BIDDERS

BID NO. 13-29

SUBJECT: 179D Tax Consulting Service

ADDENDUM NO. 1

TO WHOM IT MAY CONCERN:

With reference to the bid request relative to the above subject, please note the following:

SEE ATTACHED

BIDDER MUST ACKNOWLEDGE ADDENDUM WITH SUBMISSION

All other terms, conditions and specifications remain unchanged.

Very truly yours,

Town of Arlington

Domenic R. Lanzillotti
Purchasing Officer

Questions and Answers for Arlington 179D RFP
August 22, 2013

1. The RFP uses the term "Contractors". Contractors must be design build contractors or they will not qualify. Only entities that can be credited with the design of the energy efficient systems are eligible for the deductions. Are all the projects the town is evaluating under d/b agreements? Otherwise, is the expectation to work with the designer / engineer / architect firm?

All the projects to be evaluated are not under design/build agreements. The expectation is to work with the designer/engineer/architecture firm who was responsible for the building.

2. Good design drawings must be available both to evaluate the projects and to complete the required energy models per ASHRAE 90.1 appendix G. Our questions is can we assume that all that projects that will be evaluated, dating back to 2009 have a full complete and detailed set of drawings?

You can assume that all projects that will be evaluated will have a complete and detailed set of drawings.

3. Has the Town used the same contractor/designer for all projects? The scope of work requires the Consultant to negotiate a split of returns. However, this may be dependent on the tax structure currently in place by the contractor/designer. The firm would have to be operating in a positive cash scenario for the tax credit to be meaningful. Is there a process in place to consider if the design firm is not eligible for the credit as a result?

The Town has not used the same contractor/designer for all projects. The process would be to have a discussion with the designer/engineer/architecture firm regarding their interest and ability to amend their tax returns and take part in the 179D process.

4. The last item of the scope of work requires pursuit of deduction 'application and IRS approval'. Currently, there is no formal application or IRS approval. The process only includes filing of a return and potential defense of the study if an audit is initiated by the IRS. What is meant by application and IRS approval.

Application and IRS approval is working with the designer/contractor to provide all information that they need to amend their returns.

5. Schedule (Part III) requires completion of project site visits within two months of award. Typically site visits are not necessary until the final certification inspection. This would require negotiation with contractors/designers, and completion of models within two months of award, which seems unrealistic unless all of the projects are lighting projects.

If site visits are not necessary before final certification inspections, then there would not be a need for site inspections. Owner is interested in the Consultant insuring in whatever manner that the buildings are eligible for the 179D process.

6. Schedule (Part III) requires completion of project models, apparently, within 3 months, as it requires all participating contractors to have 'applied' for 179D deductions. It is impossible to plan personnel for this without knowing scope of projects, which will not be divulged except to selected consultant, at which time the Schedule clock starts ticking. IRS 'application only takes place when amended returns are filed, which Consultant will not be able to control, as Contractors'/Designer' accounting professionals will have to schedule the amended return work.

Owner is interested in Consultant moving quickly on the review of projects and working with the designer/contractor to gather all of the required information in order for the designer/contractor firms to amend their returns.

7. Schedule (Part III) requires follow up with IRS monthly on status. Again, there is no status, unless we are to contact the IRS to ask if returns will be audited. This seems counterproductive. What is the intent of this item?

Intent of the item is to insure that where the Consultant has the ability to move the project forward, the Consultant is working closely and diligently with the designer/contractor to move forward and answer any questions from the IRS.